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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
TERRESTAR NETWORKS INC., <i>et al.</i> , ¹)	
)	Case No. 10-15446 (SHL)
)	
Debtors.)	Jointly Administered
)	

NOTICE OF REVISED SALE PROCESS DATES

PLEASE TAKE NOTICE that on April 15, 2011, TerreStar Networks Inc. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) filed the *Debtors’ Motion Pursuant to 11 U.S.C. § 105, 363, 365, 503, and 507 and Fed. R. Bankr. P. 2002, 4001, 6004, 6006, 9008 and 9014, for Entry of (I) an Order Approving (A) Bid Procedures, (B) Notice of Sale, Auction, and Sale Hearing, (C) Assumption Procedures and Related Notices, and (II) an Order Approving the Sale of Substantially all of the Debtors’ Assets* [Docket No. 533] (the “**Sale Motion**”).

PLEASE TAKE FURTHER NOTICE that on May 4, 2011, the United States Bankruptcy Court for the Southern District of New York (the “**Court**”), entered the order approving the bid procedures (the “**Bid Procedures Order**”). The Bid Procedures Order approved the following dates related to the auction (the “**Auction**”) and the sale process (the “**Sale Process Dates**”): (i) deadline for bidders to submit bids – June 8, 2011 (the “**Bid Deadline**”); (ii) deadline for Debtors to serve notice of proposed assumption, assignment and cure amounts to executory contract parties based on bids received—June 10, 2011 (the “**Contract Notice Deadline**”); and (iii) date of Auction—June 15, 2011. Additionally, the Court scheduled the hearing to consider the Sale Motion (the “**Sale Hearing**”) for June 21, 2011.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: TerreStar Networks Inc. (3931), TerreStar License Inc. (6537), TerreStar National Services Inc. (6319), TerreStar Networks Holdings (Canada) Inc. (1337), TerreStar Networks (Canada) Inc. (8766), and 0887729 B.C. Ltd. (1345).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures Order, the Debtors reserved their right to modify the Bid Procedures at or prior to the Auction if such modification will better promote the goals of the Auction, is not materially inconsistent with any prior order of the Court and the Debtors, in consultation with the Creditors' Committee, deem such modifications consistent with the performance of their fiduciary obligations.

PLEASE TAKE FURTHER NOTICE that the Debtors, consistent with their fiduciary duties to maximize value for their estates, are currently in active discussions with various interested parties regarding potential bids, including, without limitation, potential stalking horse bids. Accordingly, the Debtors, in their business judgment and in an exercise of their rights pursuant to the Bid Procedures Order, have revised the Sale Process Dates (the "***Revised Sale Process Dates***") as follows:

Revised Sale Process Dates	
Bid Deadline	June 15, 2011 at 5:00 p.m. (ET)
Contract Notice Deadline	June 17, 2011 at 5:00 p.m. (ET)
Auction	June 22, 2011 at 9:00 a.m. (ET)
Sale Hearing	June 28, 2011 at 2:00 p.m. (ET), or as soon thereafter as the Court may hear the Sale Motion.²

PLEASE TAKE FURTHER NOTICE that the Sale Motion and the Bid Procedures Order (the "***Sale Process Documents***") are available on the Court's internet website at <http://www.nysb.uscourts.gov>. A login and password to the Court's Public Access to Court Electronic Records ("***PACER***") are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>. A copy of the Sale Process Documents may also be examined between the hours of 9:30 a.m. and 4:30 p.m.,

²

The Debtors continue to reserve their right to modify the Bid Procedures, and Sale Process Dates set forth therein, at or prior to the Auction, in accordance with the Bid Procedures Order. To the extent that the Debtors determine, in the exercise of their fiduciary duties, to file a motion seeking approval of a stalking horse bid, the Sale Process Dates will likely be further modified to give all parties sufficient notice thereof.

Monday through Friday, at the Office of the Clerk of the Bankruptcy Court, One Bowling Green, Room 511, New York, New York 10004-1408 or online at <http://www.terrestarinfo.com>.

New York, New York

Dated: June 7, 2011

/s/ Ira S. Dizengoff

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